



**Federal Deposit Insurance Corporation**  
550 17th Street NW, Washington, D.C. 20429-9990

**Financial Institution Letter**  
**FIL-5-2008**  
**February 1, 2008**

## **ANNUAL AUDIT AND REPORTING REQUIREMENTS**

### **Internal Control Attestation Standards for Independent Auditors**

**Summary:** The FDIC is providing the attached guidance on the internal control attestation standards that auditors of insured institutions with \$1 billion or more in total assets should follow to comply with the FDIC's audit and reporting requirements in Part 363 of the FDIC's regulations.

**Distribution:**

FDIC-Insured Institutions With \$500 Million or More in Assets

**Suggested Routing:**

Chief Executive Officer  
Chief Financial Officer  
Board of Directors  
Audit Committee

**Related Topics:**

Federal Deposit Insurance Act Section 36  
Part 363 of the FDIC's Regulations

**Attachment:**

Guidance on Part 363 Internal Control Attestation Standards for Independent Accountants

**Contact:**

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**Note:**

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at [www.fdic.gov/news/news/financial/2008/index.html](http://www.fdic.gov/news/news/financial/2008/index.html).

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Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

**Highlights:**

- Part 363 of the FDIC's regulations requires assessments of internal control over financial reporting by both management and independent auditors for insured institutions with \$1 billion or more in total assets.
- Section 404 of the Sarbanes-Oxley Act imposes similar internal control requirements on public companies. On May 24, 2007, the Public Company Accounting Oversight Board (PCAOB) adopted Auditing Standard No. 5 (AS 5).
- Generally, auditors of public institutions that are accelerated filers will follow AS 5 for Section 404 purposes for fiscal years ending on or after November 15, 2007.
- Generally, auditors of public institutions that are non-accelerated filers will follow AS 5 for Section 404 purposes for fiscal years ending on or after December 15, 2008.
- In response to questions it has received, the FDIC has determined that auditors' internal control reports issued under AS 5 satisfy the requirements of Part 363.
- For non-public institutions, auditors may follow the American Institute of Certified Public Accountants' (AICPA) attestation standards, known as "AT 501," when reporting on internal controls.
- Auditors of public institutions that are non-accelerated filers need only follow AT 501 to satisfy Part 363 until AS 5 takes effect for non-accelerated filers in 2008.
- For Part 363 purposes, the scope of financial reporting includes financial statements prepared for regulatory reporting.